

COMMUTER BONUS

Why offer Commuter Bonus to employees?

The Commuter Bonus program provides a non-taxable transportation subsidy for employees who commute by bus, vanpool, or ferry.

Participating employers buy vouchers from Metro and distribute them to employees.

Employees then take the vouchers to retail pass outlets and use them as cash toward the purchase of transit or ferry passes, or tickets. Vouchers can also be used to pay for vanpool fares, and can be used by commuters in Island, King, Kitsap, Pierce, Snohomish and Thurston counties.

Participation in the Commuter Bonus (CB) program has grown steadily since its introduction in 1995. *Currently, more than 115 Puget Sound area employers participate. A recent, comprehensive program analysis showed that the CB program was “primarily responsible” for encouraging a significant number of commuters to shift from driving alone to work, to taking a bus or vanpool instead.*

What are the benefits of Commuter Bonus?

To Employers:

- easy program administration;
- a tax-deductible business expense;
- “one-stop shopping” to subsidize transit fares for all Puget Sound transit agencies;
- supports the services provided by several transit agencies;
- equitable transportation benefits for all employees;
- guarantees that money spent will directly support alternative commute methods;
- offers an attractive benefit to recruit or retain employees;
- offers ability to buy a years’ supply for monthly distribution to employees;
- allows innovative company bonuses, incentives or company contest prizes;
- a suitable incentive for employees who use bus and vanpool less frequently.

To Employees:

- reduces commuting cost;
- offers a tax-free benefit (if bonus value is under \$65 per month);
- provides a benefit with the flexibility of cash;
- supports cross-county, multi-mode commutes;
- flexibility to purchase passes or ticketbooks based on employee’s level of use;
- can be used to reduce vanpool fares.

How does Commuter Bonus help meet CTR goals?

For worksites affected by the CTR (Commute Trip Reduction) law, Commuter Bonus Plus encourages the use of transit, vanpools and ferries. Employees leave their cars at home more often, reducing the number of single occupancy vehicles (SOV) travelling to the worksite daily.

What are favorable conditions for using Commuter Bonus?

- employer currently reimburses employees for pass purchases;
- employers concerned about administrative requirements of a subsidy program;
- employees use several Puget Sound area transportation systems;
- employer is part of a federal or state agency;
- some employees do not use transit on a daily basis.

How much does Commuter Bonus cost?

Vouchers are available in any whole dollar denomination –\$5 minimum – and are valid for 13 months from date of issue. Employers choose denominations and number of vouchers to buy.

Answers to commonly asked questions:

Q. What laws regulate Commuter Bonus?

- A. If the voucher(s) does not exceed \$65 per month, they are considered non-taxable, employee benefits. Reimbursing transit expenses, however, is a taxable benefit.
Refer to Metro's Commute Expense Tax Issues Q&A for more details about taxable benefits.

Q. What transportation providers participate in the Commuter Bonus program?

- A. Metro, Community Transit, Intercity Transit, Island Transit, Everett Transit, Kitsap Transit, Pierce Transit, and the Washington State Ferry System.

Q. How do employers buy vouchers?

- A. Employers order vouchers from Metro by mail, accompanying the order with a check for payment. Metro will send Commuter Bonus vouchers to the employer once the employer's check is received.

Q. How many vouchers can be ordered at one time?

- A. There is no limit.

Q. How do employees use the vouchers?

- A. Employees take vouchers to one of over 200 customer service or retail pass sales outlets in the Puget Sound area, for use as full or partial payment when purchasing passes or tickets. Vanpoolers give vouchers to their vanpool bookkeeper.

Q. Can vouchers be redeemed for cash? Will change be given if the purchase price is less than the value of the voucher?

- A. No.

Q. What does an employer do if they have not used vouchers before their expiration date? What happens if a voucher is lost or stolen?

- A. Employers may exchange expired vouchers. Employer representatives are asked to mail them back to the Commuter Bonus Fulfillment Office for an exchange. However, vouchers cannot be replaced if lost or stolen.